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Supreme Court of the United States.

OCTOBER TERM, A. D. 1903.

No. 445.

HOWE SCALE COMPANY OF 1886 AND FAY-SHOLES COMPANY, PETITIONERS,

vs.

WYCKOFF, SEAMANS & BENEDICT, RESPONDENTS.

REPLY BRIEF FOR PETITIONERS.

I. So widespread is the habit of incorporating business enterprises that have long been carried on by partnerships that the question here presented is of true public importance. This of itself should incline this court to take jurisdiction, even without regard to the conflict between decisions in the lower courts. The great importance of this suit to the petitioners constitutes no ground for granting the petition. The existence of a conflict between decisions on a question of general law *is* a ground for granting the petition. Especially is this so when the question of general law is novel and is often before the courts in litigations involving great interests to many litigants. The statement in Hopkins on Unfair Trade (p. 110), that upon the question here presented "courts are hopelessly confused in their phraseology," describes only too accurately the conflict between decisions in some of the Federal as well as State courts. See National Starch Mfg. Co. *vs.* Duryea, 79 Fed. Rep., 651; 101 *id.*, 117; Baker *vs.* Baker, 115 *id.*, 297, in which the court of appeals for the second circuit said it was "wholly immaterial whether the business is conducted in the name of a corporation or that of an individual by the

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NOTE.—The question of general law which is involved in this suit has not become "academic," as suggested in the respondent's brief. The petitioner was obliged to change its name or be guilty of contempt.

The court should not be misled by the size of the record. The issues on which the bulk of testimony was introduced have been cut out by the lower court, and there remains only the question of the petitioners' right to use under a charter of incorporation the names which it is conceded they may use as individuals.

same description;" American Cereal Co. *vs.* Eli Pettijohn Cereal Co., 72 Fed. Rep., 903 (aff'd, 76 *id.*, 372); Celluloid Mfg. Co. *vs.* Cellonite Mfg. Co., 32 *id.*, 94; also the State court cases cited in petitioners' brief. Cases *contra* are cited in respondent's brief, page 27.

It is noticeable that respondent does not attempt to distinguish this suit from that of Goodyear Rubber Mfg. Co. *vs.* Goodyear Rubber Co., 128 U. S., 598.

Counsel for respondent nowhere assert that Remington and Sholes could not as partners have rightfully engaged in the manufacture of typewriting machines under the name of "Remington & Sholes," and the undeniably novel question presented for the first time to this court is whether there is anything in law or reason to deprive individuals of the right to bestow their names—in keeping with custom and in the absence of estoppel—upon a corporation organized and managed by them, in which their capital is invested, in which they are large stockholders, and of which they are officers. A familiarity with the conflict between current decisions of the United States courts and of the State courts makes apparent the desirability of a pronouncement by this court upon this question.

II. There is error of fact in the assertion, upon page 27 of respondent's answer (see also p. 18):

> "that the questions at issue in the case pending in the U. S. court for the northern district of Illinois, except as to the matter of accounting, are under the stipulation made and order entered therein already determined by the decision of the court of appeals of the second circuit, and hence there is no danger of a multiplicity of suits as alleged in said petition."

On the contrary, the order in said cause, as shown by a certified copy hereto annexed, provides that further proceedings be stayed until this cause be disposed of by this Supreme Court on *certiorari* or appeal.

III. In their brief (p. 2) counsel for respondent assert that the "essential vice of the petitioners' acts consisted in the adoption and use of the name 'Remington' in the corporate name 'Remington-Sholes Company,'" etc. In its decision the court of appeals (petition, p. 59) says:

> "If it [the Remington-Sholes Co.] had a right to use the same [*i. e.*, the name] it cannot be held responsible for the consequences of such use."

This presents the question in a nutshell. Counsel for respondent plainly reason in a circle, therefore, and as well

also in disregard of the opinion of the Court of Appeals and of the decisions of this court, when they attempt to prove a lack of right to use the name "Remington-Sholes Company" by merely asserting consequences of such use.

This court, in determining petitioners' right to use the corporate name "Remington-Sholes Company" may scarcely be expected, at this time at least, to consider the controverted facts as to the alleged consequences of the adoption of the corporate name "Remington-Sholes Company." The petitioners stand ready, if opportunity be given, to abundantly satisfy this court as to the total absence of any showing of deception or attempted deception of the public by the petitioners or their agents and to show from the record that the instances of mistake even have been few and inconsequential.

The enumeration of alleged advertisements appearing upon page 19 of respondent's answer to petition for *certiorari* is incorrect and misleading. The record does not show that either of the petitioners herein or any *agents* of either of them ever directly or indirectly designated the machines of the Remington-Sholes Company as "Remington Imperial Typewriter," "Remington Typewriter, "New Model Remington," "Remington Machine" or "these genuine Remingtons made by Remington Sholes," but on the contrary it distinctly appears by stipulation in the record (R. 662) that these advertisements were in foreign countries, and by foreign *dealers* who bought the machines from an independent German Company. The statement repeatedly appearing throughout respondent's answer and the brief filed in support thereof as to advertisements alleged to have emanated from "agents *and dealers*" of the petitioners herein is unfair and misleading because the record shows that all adver-

tisements authorized by petitioners or their agents were fair and true, while such advertisements as were unfair were put out in foreign countries by independent dealers beyond your petitioners' control. Reiteration by counsel of the phrase "dealers and agents," however often repeated cannot convert dealers into agents, nor make your petitioners liable for acts of strangers utterly beyond any agency control.

IV. While the statement on page 14 of respondent's answer that the German case was "an affidavit case" and arose under the German trade-mark law is true, it is of no moment, (*a*) because the record here shows (Rec. 85) that such case was presented, in part at least, by respondent; (*b*) because the true history of the adoption of the name "Remington-Sholes" was presented to the German courts as in the case at bar; and (*c*) because the reasoning of the German opinions applies as forcibly to the facts here as to the facts before the German courts.

V. Several of the points made in respondent's answer to show the animus of Messrs. Remington and Sholes at the time of the incorporation of the Remington-Sholes Typewriter Company may be pertinent and to such we make reply:

(A) The assertion on p. 6 of respondent's answer that "neither the Remingtons nor Sholes had any idea of engaging in the manufacture of typewriting machines" is plainly against the record, as Mr. Sholes, appearing as a witness on behalf of respondent, when asked as to the expenditure of moneys contributed by Franklin Remington, testified (Rec. 413):

> "Q. 138. And aside from that which they invested at first in the purchase of the three-quarters interest in the model and inventions, &c., what was

the balance of the money making up the $15,000 expended for? A. To keep myself, a man we had on a salary, some changes we had made in the model, traveling expenses, shop rent, attorney's fees, &c.

"Q. 139. You speak of having expended money in traveling fees. What traveling fees do you refer to; please state? A. Well, we traveled in the interest of promoting the machine.

"Q. 140. Please state just what you mean by promoting the machine? A. Endeavoring to interest capital for the purpose of manufacturing the machine."

(B) As refuting the statement on p. 9 of respondent's answer as to the absence of material changes in the original Sholes model we call attention to the following testimony of Mr. Sholes (Rec. 428):

"X-Q. 231. State whether or not you discussed with Mr. Franklin Remington any changes or modifications that were made in the model machine after he became interested with you; I mean did you and he advise together in regard to such matters? A. I never took any steps in connection with our model machine, or the business thereof, without first consulting Mr. Franklin Remington.

"X-Q. 232. You may state what opinion Mr. Franklin Remington was accustomed to express to you and to others in your presence in regard to the value and superiority of your model machine, if any? A. We naturally thought, we had the best machine that had ever been built, and I don't think we ever failed to talk it."

(C) The attempt to belittle the reputation of the father of Franklin Remington and the father of Zalmon G. Sholes by asserting (Resp. Ans., p. 10) that neither of these "were ever *personally* engaged in the manufacture or sale of typewriting machines" is at best but a quibble and is not sustained by the record. Mr. Rem-

ington's father was president of the corporation E. Remington & Sons (Rec. 702). Mr. Sholes' father was a recognized pioneer inventor of typewriting machines of whom "Appleton's Cyclopædia of American Biography" says:

> "He has interested himself in inventions, the most important of which is his typewriting machine that was introduced through the firm of E. Remington & Sons. . . . In 1873 this invention passed into the hands of the Remingtons for manufacture, since which time many minor improvements have been added to it increasing its usefulness."

Mr. Z. G. Sholes, when testifying in this cause was an employee of respondent's president, Mr. Seamans (Rec. 442). When asked as to the reason for the adoption of the name "Remington-Sholes" he repeatedly answered (Rec. 424):

> "I thought it (*i. e.*, the name Remington-Sholes) a good combination because my father was the originator of what is known as the Remington machine and Mr. Remington's father had been the manufacturer."

VI. The statement on p. 11 of respondent's answer that in 1897 after "the designation 'Remington-Sholes' was abbreviated to 'Rem-Sho' the name 'Remington-Sholes' was always used on the machine in connection with the abbreviation" is not true in fact, as the record shows that although the machines of the old Remington-Sholes Typewriter Company bore the name "Remington-Sholes, Chicago," still after the name "Rem-Sho" was adopted the only marks appearing upon the machine were "REM-SHO" and "REMINGTON-SHOLES COMPANY, Mfrs. Chicago." (Rec. 1104, 1106 and 1458.)

VII. The utterly misleading character of the quotations (Resp. Ans., p. 13) from the letter of instructions

of the Remington-Sholes Company to its agents will best appear from an inspection of such letter (Rec. 875) and from the fact that such instructions were specifically designed to indicate to the salesman how he was to present the mechanical construction of the Rem-Sho to an intending purchaser and particularly how to show its superiority over the "Remington." Thus, for example, the letter says:

> "If Remington machine is handy call customer's attention to looseness of construction of the Remington carriage and compare it with the rigidity of the Rem-Sho."

VIII. The assertion on p. 25 of Respondent's Answer that the advertisements of the independent foreign dealers are "relevant as showing or tending to show the effect upon respondent's trade of putting the machines of the Remington-Sholes Company into the markets," etc., is without force. The record shows (Rec. 662) that the foreign advertisers purchased their machines outright from the independent German company which under the decisions of the German courts had a lawful right to use the name Remington-Sholes. These advertisements give no intimation as to the effect abroad of marking machines with the words "REMINGTON-SHOLES COMPANY, Mfrs. CHICAGO" and with the trade-mark "REM-SHO." If the foreign dealers were guilty of wrong doing, the remedy is by action against them. A court of equity in this country will not destroy a right existing here as a means of correcting an abuse of such right by strangers abroad.

IX. The statement on page 11 of respondent's answer regarding the change in the coloring and ornamentation of petitioners' machine is misleading. The record shows that the reason why the ornamental design and

bronzing of the machine (which was continued for six years, and was not abandoned until *nearly two years after this suit was brought*), were changed to the conventional black enamel frame common to nearly all other typewriting machines, was because the bronzing was found not durable. (Rec. 1421, 1422.)

X. The statement on page 18 of respondent's answer to the effect that Mr. Franklin Remington has, since the decision of the Circuit Court, "abandoned the typewriter business" is not only a matter *de hors* the record, but counsel for respondent was advised as to the true situation of Mr. Franklin Remington with respect to the Fay-Sholes Company by the following letter:

"CHICAGO, Nov. 5, 1903.

"JOSIAH MCROBERTS, ESQ.,
"Monadnock Building,
"Chicago.

"*Dear Sir:* Referring to the request made through you by Mr. H. D. Donnelly with respect to a stipulation in regard to the change of the corporate name of the Remington-Sholes Co., and with regard to Mr. Franklin Remington, we beg to say that we do not deem such a stipulation necessary to the proper determination of the cause by the U. S. Supreme Court.

"The petition for *certiorari* now on file in the U. S. Supreme Court sets forth fully (see p. 11) with respect to the change of corporate name. Mr. Franklin Remington is still a stockholder and the Vice-President and a director of the Company and, as we are informed, his large experience in connection with the manufacture and sale of typewriters is relied upon in determining the policy of the Co., particularly with respect to foreign trade. We understand from Mr. Fay that Mr. Remington is exercising constant supervision with respect to the Eastern offices of the Co., conferring with and directing the managers thereof in all important matters and promoting, so far as possible, the business of the Co. No stipulation as to the fact that Mr. Remington has resigned the position of

general manager would be adequate without its showing that such resignation was due in great part, at least, to the decree of His Honor Judge Wheeler and the stigma that such decree placed upon Mr. Remington and the widespread use that was made of such decree particularly with respect to Mr. Remington by the agents of Wyckoff, Seamans & Benedict. But even with such showing, Mr. Remington's present relations to the Co. can have no bearing on the issues of the case before the U. S. Supreme Coprt however much it might tend to divert the mind of the Court from the real matters presented for its determination.

"Yours very truly,

"PEIRCE & FISHER."

Moreover, the affidavits filed by respondent to show that Mr. Remington has abandoned the typewriter business do not support such assertion, but, on the contrary, the affidavit of Mr. Mason (Resp. Ans., p. 43) shows that Mr. Remington is still vice-president of the Fay-Sholes Company.

XI. It does not seem necessary to argue at this time whether your petitioners have or have not a right to an appeal to this court, in the light of the fact that the bill of complaint asserts infringement of a registered trade-mark. We understand that the question of such right of appeal is awaiting the determination of this court in the recently argued Warner case. The fact remains that in at least several cases this court has taken, upon petitions for certiorari, cases in which registered trade-marks were involved. (*Saxlehner* v. *Eisner & Mendelsohn Co.*, 179 U. S., 19; *Holzapfels Co.* v. *Rahtjen's Co.*, 181 U. S., 1.)

AUSTEN G. FOX,
JAMES H. PEIRCE,
GEORGE P. FISHER, JR.,
WILLIAM HENRY DENNIS.

Order.

CIRCUIT COURT OF THE UNITED STATES, NORTHERN DISTRICT OF ILLINOIS, NORTHERN DIVISION.

Tuesday, July 1, 1902.

Present HON. CHRISTIAN C. KOHLSAAT, District Judge.

26,032. Wyckoff, Seamans and Bendict *vs.* Remington-Sholes Co. } In Chancery.

Now come the parties by their solicitors and now comes on to be heard the motion of the defendants to stay further procedings herein until the determination of a suit pending in the United States Circuit Court of Appeals for the Second Circuit. And the court having considered said motion, and counsel having stipulated in open court that the questions involved in said cause, pending in the Second Circuit, are in the main like those involved in this case, it is ordered that further proceedings herein be stayed until the said United States Circuit Court of Appeals for the Second Circuit shall have decided the same, or if appealed or certified, to the Supreme Court of the United States, then such stay of proceedings shall continue until said last named court shall have announced its findings therein; but if said cause shall not be certified or appealed to the Supreme Court of the United States from said Second Circuit, then this stay of proceedings shall cease and terminate with leave to complainant to proceed at once to an accounting, if the finding of said court shall be in its favor.

NORTHERN DISTRICT OF ILLINOIS, } ss:
Northern Division, }

I, Marshall E. Sampsell, clerk of the circuit court of the United States for said northern district of Illinois, do hereby certify the above and foregoing to be a true and complete copy of the order entered of record in said court on the first day of July, A. D. 1902, in the cause wherein Wyckoff, Seamans & Benedict is the complainant and Remington-Sholes Co. the defendant, as the same appears from the original records of said court now remaining in my custody and control.

In testimony whereof I have hereunto set my hand and affixed the seal of said court at my office in Chicago, in said district, this 16th day of November, A. D. 1903.

[SEAL.] MARSHALL E. SAMPSELL, *Clerk.*